

ASSEMBLY BILL

No. 1422

Introduced by Committee on Revenue and Taxation (Assembly Members Perea (Chair), Beall, Charles Calderon, Cedillo, Fuentes, and Gordon)

March 22, 2011

An act to amend Sections 69.5, 1150, 1154, 2821, and 5303 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1422, as introduced, Committee on Revenue and Taxation. Property taxation.

Existing property tax law allows a person over the age of 55 years or a severely and permanently disabled person to transfer the base year value of his or her property, if that property is eligible for the homeowners' exemption, to any replacement dwelling of equal or lesser value, as specified. This law requires an owner to notify the assessor in writing of the completion of new construction to a replacement dwelling within 30 days of completion.

This bill would extend the amount of time that an owner has to notify the assessor of the completion of new construction to within 6 months of completion.

Existing property tax law requires the personal property of an aircraft be taxed at its fair market value, and the California Constitution requires property subject to ad valorem property taxation to be assessed in the county in which it is situated. This law defines "certificated aircraft," "air taxi," and "aircraft."

This bill would replace obsolete statutory references to the "Civil Aeronautics Board of the United States" with the "Federal Aviation

Administration,” would delete other obsolete statutory references to the “California Public Utilities Commission” in these definitions, and would make other technical, nonsubstantive changes.

Existing property tax law authorizes any person filing an affidavit of interest to apply to the tax collector to have any parcel separately valued on the current roll for the purpose of paying taxes, and requires the application to be made during the current fiscal year and to set forth specific information describing the parcel sought to be separately valued. Existing law authorizes a county, upon approval of the board of supervisors, to prohibit these applications during the 10 working days preceding each tax installment delinquency date and during the 10 working days preceding June 30 of each year.

This bill would instead authorize the county to allow these applications between July 1 and March 31.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 69.5 of the Revenue and Taxation Code
- 2 is amended to read:
- 3 69.5. (a) (1) Notwithstanding any other provision of law,
- 4 pursuant to subdivision (a) of Section 2 of Article XIII A of the
- 5 California Constitution, any person over the age of 55 years, or
- 6 any severely and permanently disabled person, who resides in
- 7 property that is eligible for the homeowners’ exemption under
- 8 subdivision (k) of Section 3 of Article XIII of the California
- 9 Constitution and Section 218 may transfer, subject to the conditions
- 10 and limitations provided in this section, the base year value of that
- 11 property to any replacement dwelling of equal or lesser value that
- 12 is located within the same county and is purchased or newly
- 13 constructed by that person as his or her principal residence within
- 14 two years of the sale by that person of the original property,
- 15 provided that the base year value of the original property shall not
- 16 be transferred to the replacement dwelling until the original
- 17 property is sold.
- 18 (2) Notwithstanding the limitation in paragraph (1) requiring
- 19 that the original property and the replacement dwelling be located
- 20 in the same county, this limitation shall not apply in any county
- 21 in which the county board of supervisors, after consultation with

1 local affected agencies within the boundaries of the county, adopts
2 an ordinance making the provisions of paragraph (1) also applicable
3 to situations in which replacement dwellings are located in that
4 county and the original properties are located in another county
5 within this state. The authorization contained in this paragraph
6 shall be applicable in a county only if the ordinance adopted by
7 the board of supervisors complies with all of the following
8 requirements:

9 (A) It is adopted only after consultation between the board of
10 supervisors and all other local affected agencies within the county's
11 boundaries.

12 (B) It requires that all claims for transfers of base year value
13 from original property located in another county be granted if the
14 claims meet the applicable requirements of both subdivision (a)
15 of Section 2 of Article XIII A of the California Constitution and
16 this section.

17 (C) It requires that all base year valuations of original property
18 located in another county and determined by its assessor be
19 accepted in connection with the granting of claims for transfers of
20 base year value.

21 (D) It provides that its provisions are operative for a period of
22 not less than five years.

23 (E) The ordinance specifies the date on and after which its
24 provisions shall be applicable. However, the date specified shall
25 not be earlier than November 9, 1988. The specified applicable
26 date may be a date earlier than the date the county adopts the
27 ordinance.

28 (b) In addition to meeting the requirements of subdivision (a),
29 any person claiming the property tax relief provided by this section
30 shall be eligible for that relief only if the following conditions are
31 met:

32 (1) The claimant is an owner and a resident of the original
33 property either at the time of its sale, or at the time when the
34 original property was substantially damaged or destroyed by
35 misfortune or calamity, or within two years of the purchase or new
36 construction of the replacement dwelling.

37 (2) The original property is eligible for the homeowners'
38 exemption, as the result of the claimant's ownership and occupation
39 of the property as his or her principal residence, either at the time
40 of its sale, or at the time when the original property was

1 substantially damaged or destroyed by misfortune or calamity, or
2 within two years of the purchase or new construction of the
3 replacement dwelling.

4 (3) At the time of the sale of the original property, the claimant
5 or the claimant's spouse who resides with the claimant is at least
6 55 years of age, or is severely and permanently disabled.

7 (4) At the time of claiming the property tax relief provided by
8 subdivision (a), the claimant is an owner of a replacement dwelling
9 and occupies it as his or her principal place of residence and, as a
10 result thereof, the property is currently eligible for the homeowners'
11 exemption or would be eligible for the exemption except that the
12 property is already receiving the exemption because of an
13 exemption claim filed by the previous owner.

14 (5) The original property of the claimant is sold by him or her
15 within two years of the purchase or new construction of the
16 replacement dwelling. For purposes of this paragraph, the purchase
17 or new construction of the replacement dwelling includes the
18 purchase of that portion of land on which the replacement building,
19 structure, or other shelter constituting a place of abode of the
20 claimant will be situated and that, pursuant to paragraph (3) of
21 subdivision (g), constitutes a part of the replacement dwelling.

22 (6) The replacement dwelling, including that portion of land on
23 which it is situated that is specified in paragraph (5), is located
24 entirely within the same county as the claimant's original property.

25 (7) The claimant has not previously been granted, as a claimant,
26 the property tax relief provided by this section, except that this
27 paragraph shall not apply to any person who becomes severely
28 and permanently disabled subsequent to being granted, as a
29 claimant, the property tax relief provided by this section for any
30 person over the age of 55 years. In order to prevent duplication of
31 claims under this section within this state, county assessors shall
32 report quarterly to the State Board of Equalization that information
33 from claims filed in accordance with subdivision (f) and from
34 county records as is specified by the board necessary to identify
35 fully all claims under this section allowed by assessors and all
36 claimants who have thereby received relief. The board may specify
37 that the information include all or a part of the names and social
38 security numbers of claimants and their spouses and the identity
39 and location of the replacement dwelling to which the claim
40 applies. The information may be required in the form of data

1 processing media or other media and in a format that is compatible
2 with the recordkeeping processes of the counties and the auditing
3 procedures of the state.

4 (c) The property tax relief provided by this section shall be
5 available if the original property or the replacement dwelling, or
6 both, of the claimant includes, but is not limited to, either of the
7 following:

8 (1) A unit or lot within a cooperative housing corporation, a
9 community apartment project, a condominium project, or a planned
10 unit development. If the unit or lot constitutes the original property
11 of the claimant, the assessor shall transfer to the claimant's
12 replacement dwelling only the base year value of the claimant's
13 unit or lot and his or her share in any common area reserved as an
14 appurtenance of that unit or lot. If the unit or lot constitutes the
15 replacement dwelling of the claimant, the assessor shall transfer
16 the base year value of the claimant's original property only to the
17 unit or lot of the claimant and any share of the claimant in any
18 common area reserved as an appurtenance of that unit or lot.

19 (2) A manufactured home or a manufactured home and any land
20 owned by the claimant on which the manufactured home is situated.
21 For purposes of this paragraph, "land owned by the claimant"
22 includes a pro rata interest in a resident-owned mobilehome park
23 that is assessed pursuant to subdivision (b) of Section 62.1.

24 (A) If the manufactured home or the manufactured home and
25 the land on which it is situated constitutes the claimant's original
26 property, the assessor shall transfer to the claimant's replacement
27 dwelling either the base year value of the manufactured home or
28 the base year value of the manufactured home and the land on
29 which it is situated, as appropriate. If the manufactured home
30 dwelling that constitutes the original property of the claimant
31 includes an interest in a resident-owned mobilehome park, the
32 assessor shall transfer to the claimant's replacement dwelling the
33 base year value of the claimant's manufactured home and his or
34 her pro rata portion of the real property of the park. No transfer of
35 base year value shall be made by the assessor of that portion of
36 land that does not constitute a part of the original property, as
37 provided in paragraph (4) of subdivision (g).

38 (B) If the manufactured home or the manufactured home and
39 the land on which it is situated constitutes the claimant's
40 replacement dwelling, the assessor shall transfer the base year

1 value of the claimant's original property either to the manufactured
2 home or the manufactured home and the land on which it is
3 situated, as appropriate. If the manufactured home dwelling that
4 constitutes the replacement dwelling of the claimant includes an
5 interest in a resident-owned mobilehome park, the assessor shall
6 transfer the base year value of the claimant's original property to
7 the manufactured home of the claimant and his or her pro rata
8 portion of the park. No transfer of base year value shall be made
9 by the assessor to that portion of land that does not constitute a
10 part of the replacement dwelling, as provided in paragraph (3) of
11 subdivision (g).

12 This subdivision shall be subject to the limitations specified in
13 subdivision (d).

14 (d) The property tax relief provided by this section shall be
15 available to a claimant who is the coowner of the original property,
16 as a joint tenant, a tenant in common, a community property owner,
17 or a present beneficiary of a trust subject to the following
18 limitations:

19 (1) If a single replacement dwelling is purchased or newly
20 constructed by all of the coowners and each coowner retains an
21 interest in the replacement dwelling, the claimant shall be eligible
22 under this section whether or not any or all of the remaining
23 coowners would otherwise be eligible claimants.

24 (2) If two or more replacement dwellings are separately
25 purchased or newly constructed by two or more coowners and
26 more than one coowner would otherwise be an eligible claimant,
27 only one coowner shall be eligible under this section. These
28 coowners shall determine by mutual agreement which one of them
29 shall be deemed eligible.

30 (3) If two or more replacement dwellings are separately
31 purchased or newly constructed by two coowners who held the
32 original property as community property, only the coowner who
33 has attained the age of 55 years, or is severely and permanently
34 disabled, shall be eligible under this section. If both spouses are
35 over 55 years of age, they shall determine by mutual agreement
36 which one of them is eligible.

37 In the case of coowners whose original property is a multiunit
38 dwelling, the limitations imposed by paragraphs (2) and (3) shall
39 only apply to coowners who occupied the same dwelling unit

1 within the original property at the time specified in paragraph (2)
2 of subdivision (b).

3 (e) Upon the sale of original property, the assessor shall
4 determine a new base year value for that property in accordance
5 with subdivision (a) of Section 2 of Article XIII A of the California
6 Constitution and Section 110.1, whether or not a replacement
7 dwelling is subsequently purchased or newly constructed by the
8 former owner or owners of the original property.

9 This section shall not apply unless the transfer of the original
10 property is a change in ownership that either (1) subjects that
11 property to reappraisal at its current fair market value in accordance
12 with Section 110.1 or 5803 or (2) results in a base year value
13 determined in accordance with this section, Section 69, or Section
14 69.3 because the property qualifies under this section, Section 69,
15 or Section 69.3 as a replacement dwelling or property.

16 (f) (1) A claimant shall not be eligible for the property tax relief
17 provided by this section unless the claimant provides to the
18 assessor, on a form that shall be designed by the State Board of
19 Equalization and that the assessor shall make available upon
20 request, the following information:

21 (A) The name and social security number of each claimant and
22 of any spouse of the claimant who is a record owner of the
23 replacement dwelling.

24 (B) Proof that the claimant or the claimant's spouse who resided
25 on the original property with the claimant was, at the time of its
26 sale, at least 55 years of age, or severely and permanently disabled.
27 Proof of severe and permanent disability shall be considered a
28 certification, signed by a licensed physician and surgeon of
29 appropriate specialty, attesting to the claimant's severely and
30 permanently disabled condition. In the absence of available proof
31 that a person is over 55 years of age, the claimant shall certify
32 under penalty of perjury that the age requirement is met. In the
33 case of a severely and permanently disabled claimant either of the
34 following shall be submitted:

35 (i) A certification, signed by a licensed physician or surgeon of
36 appropriate specialty that identifies specific reasons why the
37 disability necessitates a move to the replacement dwelling and the
38 disability-related requirements, including any locational
39 requirements, of a replacement dwelling. The claimant shall
40 substantiate that the replacement dwelling meets disability-related

1 requirements so identified and that the primary reason for the move
2 to the replacement dwelling is to satisfy those requirements. If the
3 claimant, or the claimant's spouse or guardian, so declares under
4 penalty of perjury, it shall be rebuttably presumed that the primary
5 purpose of the move to the replacement dwelling is to satisfy
6 identified disability-related requirements.

7 (ii) The claimant's substantiation that the primary purpose of
8 the move to the replacement dwelling is to alleviate financial
9 burdens caused by the disability. If the claimant, or the claimant's
10 spouse or guardian, so declares under penalty of perjury, it shall
11 be rebuttably presumed that the primary purpose of the move is
12 to alleviate the financial burdens caused by the disability.

13 (C) The address and, if known, the assessor's parcel number of
14 the original property.

15 (D) The date of the claimant's sale of the original property and
16 the date of the claimant's purchase or new construction of a
17 replacement dwelling.

18 (E) A statement by the claimant that he or she occupied the
19 replacement dwelling as his or her principal place of residence on
20 the date of the filing of his or her claim.

21 (F) Any claim under this section shall be filed within three years
22 of the date the replacement dwelling was purchased or the new
23 construction of the replacement dwelling was completed subject
24 to subdivision (k) or (m).

25 (2) A claim for transfer of base year value under this section
26 that is filed after the expiration of the filing period set forth in
27 subparagraph (F) of paragraph (1) shall be considered by the
28 assessor, subject to all of the following conditions:

29 (A) Any base year value transfer granted pursuant to that claim
30 shall apply commencing with the lien date of the assessment year
31 in which the claim is filed.

32 (B) The full cash value of the replacement property in the
33 assessment year described in subparagraph (A) shall be the base
34 year value of the real property in the assessment year in which the
35 base year value was transferred, factored to the assessment year
36 described in subparagraph (A) for both of the following:

37 (i) Inflation as annually determined in accordance with
38 paragraph (1) of subdivision (a) of Section 51.

39 (ii) Any subsequent new construction occurring with respect to
40 the subject real property that does not qualify for property tax relief

1 pursuant to the criteria set forth in subparagraphs (A) and (B) of
2 paragraph (4) of subdivision (h).

3 (g) For purposes of this section:

4 (1) “Person over the age of 55 years” means any person or the
5 spouse of any person who has attained the age of 55 years or older
6 at the time of the sale of the original property.

7 (2) “Base year value of the original property” means its base
8 year value, as determined in accordance with Section 110.1, with
9 the adjustments permitted by subdivision (b) of Section 2 of Article
10 XIII A of the California Constitution and subdivision (f) of Section
11 110.1, determined as of the date immediately prior to the date that
12 the original property is sold by the claimant, or in the case where
13 the original property has been substantially damaged or destroyed
14 by misfortune or calamity and the owner does not rebuild on the
15 original property, determined as of the date immediately prior to
16 the misfortune or calamity.

17 If the replacement dwelling is purchased or newly constructed
18 after the transfer of the original property, “base year value of the
19 original property” also includes any inflation factor adjustments
20 permitted by subdivision (f) of Section 110.1 for the period
21 subsequent to the sale of the original property. The base year or
22 years used to compute the “base year value of the original property”
23 shall be deemed to be the base year or years of any property to
24 which that base year value is transferred pursuant to this section.

25 (3) “Replacement dwelling” means a building, structure, or
26 other shelter constituting a place of abode, whether real property
27 or personal property, that is owned and occupied by a claimant as
28 his or her principal place of residence, and any land owned by the
29 claimant on which the building, structure, or other shelter is
30 situated. For purposes of this paragraph, land constituting a part
31 of a replacement dwelling includes only that area of reasonable
32 size that is used as a site for a residence, and “land owned by the
33 claimant” includes land for which the claimant either holds a
34 leasehold interest described in subdivision (c) of Section 61 or a
35 land purchase contract. Each unit of a multiunit dwelling shall be
36 considered a separate replacement dwelling. For purposes of this
37 paragraph, “area of reasonable size that is used as a site for a
38 residence” includes all land if any nonresidential uses of the
39 property are only incidental to the use of the property as a
40 residential site. For purposes of this paragraph, “land owned by

1 the claimant” includes an ownership interest in a resident-owned
2 mobilehome park that is assessed pursuant to subdivision (b) of
3 Section 62.1.

4 (4) “Original property” means a building, structure, or other
5 shelter constituting a place of abode, whether real property or
6 personal property, that is owned and occupied by a claimant as his
7 or her principal place of residence, and any land owned by the
8 claimant on which the building, structure, or other shelter is
9 situated. For purposes of this paragraph, land constituting a part
10 of the original property includes only that area of reasonable size
11 that is used as a site for a residence, and “land owned by the
12 claimant” includes land for which the claimant either holds a
13 leasehold interest described in subdivision (c) of Section 61 or a
14 land purchase contract. Each unit of a multiunit dwelling shall be
15 considered a separate original property. For purposes of this
16 paragraph, “area of reasonable size that is used as a site for a
17 residence” includes all land if any nonresidential uses of the
18 property are only incidental to the use of the property as a
19 residential site. For purposes of this paragraph, “land owned by
20 the claimant” includes an ownership interest in a resident-owned
21 mobilehome park that is assessed pursuant to subdivision (b) of
22 Section 62.1.

23 (5) “Equal or lesser value” means that the amount of the full
24 cash value of a replacement dwelling does not exceed one of the
25 following:

26 (A) One hundred percent of the amount of the full cash value
27 of the original property if the replacement dwelling is purchased
28 or newly constructed prior to the date of the sale of the original
29 property.

30 (B) One hundred and five percent of the amount of the full cash
31 value of the original property if the replacement dwelling is
32 purchased or newly constructed within the first year following the
33 date of the sale of the original property.

34 (C) One hundred and ten percent of the amount of the full cash
35 value of the original property if the replacement dwelling is
36 purchased or newly constructed within the second year following
37 the date of the sale of the original property.

38 For the purposes of this paragraph, except as otherwise provided
39 in paragraph (4) of subdivision (h), if the replacement dwelling is,
40 in part, purchased and, in part, newly constructed, the date the

1 “replacement dwelling is purchased or newly constructed” is the
2 date of purchase or the date of completion of construction,
3 whichever is later.

4 (6) “Full cash value of the replacement dwelling” means its full
5 cash value, determined in accordance with Section 110.1, as of
6 the date on which it was purchased or new construction was
7 completed, and after the purchase or the completion of new
8 construction.

9 (7) “Full cash value of the original property” means, either:

10 (A) Its new base year value, determined in accordance with
11 subdivision (e), without the application of subdivision (h) of
12 Section 2 of Article XIII A of the California Constitution, plus the
13 adjustments permitted by subdivision (b) of Section 2 of Article
14 XIII A and subdivision (f) of Section 110.1 for the period from the
15 date of its sale by the claimant to the date on which the replacement
16 property was purchased or new construction was completed.

17 (B) In the case where the original property has been substantially
18 damaged or destroyed by misfortune or calamity and the owner
19 does not rebuild on the original property, its full cash value, as
20 determined in accordance with Section 110, immediately prior to
21 its substantial damage or destruction by misfortune or calamity,
22 as determined by the county assessor of the county in which the
23 property is located, without the application of subdivision (h) of
24 Section 2 of Article XIII A of the California Constitution, plus the
25 adjustments permitted by subdivision (b) of Section 2 of Article
26 XIII A and subdivision (f) of Section 110.1, for the period from
27 the date of its sale by the claimant to the date on which the
28 replacement property was purchased or new construction was
29 completed.

30 (8) “Sale” means any change in ownership of the original
31 property for consideration.

32 (9) “Claimant” means any person claiming the property tax
33 relief provided by this section. If a spouse of that person is a record
34 owner of the replacement dwelling, the spouse is also a claimant
35 for purposes of determining whether in any future claim filed by
36 the spouse under this section the condition of eligibility specified
37 in paragraph (7) of subdivision (b) has been met.

38 (10) “Property that is eligible for the homeowners’ exemption”
39 includes property that is the principal place of residence of its
40 owner and is entitled to exemption pursuant to Section 205.5.

(11) “Person” means any individual, but does not include any firm, partnership, association, corporation, company, or other legal entity or organization of any kind. “Person” includes an individual who is the present beneficiary of a trust.

(12) “Severely and permanently disabled” means any person described in subdivision (b) of Section 74.3.

(13) For the purposes of this section property is “substantially damaged or destroyed by misfortune or calamity” if it sustains physical damage amounting to more than 50 percent of its full cash value immediately prior to the misfortune or calamity. Damage includes a diminution in the value of property as a result of restricted access to the property where the restricted access was caused by the misfortune or calamity and is permanent in nature.

(h) (1) Upon the timely filing of a claim described in subparagraph (F) of paragraph (1) of subdivision (f), the assessor shall adjust the new base year value of the replacement dwelling in conformity with this section. This adjustment shall be made as of the latest of the following dates:

(A) The date the original property is sold.

(B) The date the replacement dwelling is purchased.

(C) The date the new construction of the replacement dwelling is completed.

(2) Any taxes that were levied on the replacement dwelling prior to the filing of the claim on the basis of the replacement dwelling’s new base year value, and any allowable annual adjustments thereto, shall be canceled or refunded to the claimant to the extent that the taxes exceed the amount that would be due when determined on the basis of the adjusted new base year value.

(3) Notwithstanding Section 75.10, Chapter 3.5 (commencing with Section 75) shall be utilized for purposes of implementing this subdivision, including adjustments of the new base year value of replacement dwellings acquired prior to the sale of the original property.

(4) In the case where a claim under this section has been timely filed and granted, and new construction is performed upon the replacement dwelling subsequent to the transfer of base year value, the property tax relief provided by this section also shall apply to the replacement dwelling, as improved, and thus there shall be no reassessment upon completion of the new construction if both of the following conditions are met:

1 (A) The new construction is completed within two years of the
2 date of the sale of the original property and the owner notifies the
3 assessor in writing of completion of the new construction within
4 ~~30 days~~ *six months* after completion.

5 (B) The fair market value of the new construction on the date
6 of completion, plus the full cash value of the replacement dwelling
7 on the date of acquisition, is not more than the full cash value of
8 the original property as determined pursuant to paragraph (7) of
9 subdivision (g) for purposes of granting the original claim.

10 (i) Any claimant may rescind a claim for the property tax relief
11 provided by this section and shall not be considered to have
12 received that relief for purposes of paragraph (7) of subdivision
13 (b), and the assessor shall grant the rescission, if a written notice
14 of rescission is delivered to the office of the assessor as follows:

15 (1) A written notice of rescission signed by the original filing
16 claimant or claimants is delivered to the office of the assessor in
17 which the original claim was filed.

18 (2) (A) Except as otherwise provided in this paragraph, the
19 notice of rescission is delivered to the office of the assessor before
20 the date that the county first issues, as a result of relief granted
21 under this section, a refund check for property taxes imposed upon
22 the replacement dwelling. If granting relief will not result in a
23 refund of property taxes, then the notice shall be delivered before
24 payment is first made of any property taxes, or any portion thereof,
25 imposed upon the replacement dwelling consistent with relief
26 granted under this section. If payment of the taxes is not made,
27 then notice shall be delivered before the first date that those
28 property taxes, or any portion thereof, imposed upon the
29 replacement dwelling, consistent with relief granted under this
30 section, are delinquent.

31 (B) Notwithstanding any other provision in this division, any
32 time the notice of rescission is delivered to the office of the assessor
33 within six years after relief was granted, provided that the
34 replacement property has been vacated as the claimant's principal
35 place of residence within 90 days after the original claim was filed,
36 regardless of whether the property continues to receive the
37 homeowners' exemption. If the rescission increases the base year
38 value of a property, or the homeowners' exemption has been
39 incorrectly allowed, appropriate escape assessments or
40 supplemental assessments, including interest as provided in Section

506, shall be imposed. The limitations periods for any escape assessments or supplemental assessments shall not commence until July 1 of the assessment year in which the notice of rescission is delivered to the office of the assessor.

(3) The notice is accompanied by the payment of a fee as the assessor may require, provided that the fee shall not exceed an amount reasonably related to the estimated cost of processing a rescission claim, including both direct costs and developmental and indirect costs, such as costs for overhead, personnel, supplies, materials, office space, and computers.

(j) (1) With respect to the transfer of base year value of original properties to replacement dwellings located in the same county, this section, except as provided in paragraph (3) or (4), shall apply to any replacement dwelling that is purchased or newly constructed on or after November 6, 1986.

(2) With respect to the transfer of base year value of original properties to replacement dwellings located in different counties, except as provided in paragraph (4), this section shall apply to any replacement dwelling that is purchased or newly constructed on or after the date specified in accordance with subparagraph (E) of paragraph (2) of subdivision (a) in the ordinance of the county in which the replacement dwelling is located, but shall not apply to any replacement dwelling which was purchased or newly constructed before November 9, 1988.

(3) With respect to the transfer of base year value by a severely and permanently disabled person, this section shall apply only to replacement dwellings that are purchased or newly constructed on or after June 6, 1990.

(4) The amendments made to subdivision (e) by the act adding this paragraph shall apply only to replacement dwellings under Section 69 that are acquired or newly constructed on or after October 20, 1991, and shall apply commencing with the 1991–92 fiscal year.

(k) (1) In the case in which a county adopts an ordinance pursuant to paragraph (2) of subdivision (a) that establishes an applicable date which is more than three years prior to the date of adoption of the ordinance, those potential claimants who purchased or constructed replacement dwellings more than three years prior to the date of adoption of the ordinance and who would, therefore, be precluded from filing a timely claim, shall be deemed to have

1 timely filed a claim if the claim is filed within three years after the
2 date that the ordinance is adopted. This paragraph may not be
3 construed as a waiver of any other requirement of this section.

4 (2) In the case in which a county assessor corrects a base year
5 value to reflect a pro rata change in ownership of a resident-owned
6 mobilehome park that occurred between January 1, 1989, and
7 January 1, 2002, pursuant to paragraph (4) of subdivision (b) of
8 Section 62.1, those claimants who purchased or constructed
9 replacement dwellings more than three years prior to the correction
10 and who would, therefore, be precluded from filing a timely claim,
11 shall be deemed to have timely filed a claim if the claim is filed
12 within three years of the date of notice of the correction of the base
13 year value to reflect the pro rata change in ownership. This
14 paragraph may not be construed as a waiver of any other
15 requirement of this section.

16 (3) This subdivision does not apply to a claimant who has
17 transferred his or her replacement dwelling prior to filing a claim.

18 (4) The property tax relief provided by this section, but filed
19 under this subdivision, shall apply prospectively only, commencing
20 with the lien date of the assessment year in which the claim is
21 filed. There shall be no refund or cancellation of taxes prior to the
22 date that the claim is filed.

23 (l) No escape assessment may be levied if a transfer of base
24 year value under this section has been erroneously granted by the
25 assessor pursuant to an expired ordinance authorizing intercounty
26 transfers of base year value.

27 (m) (1) The amendments made to subdivisions (b) and (g) of
28 this section by Chapter 613 of the Statutes of 2001 shall apply:

29 (A) With respect to the transfer of base year value of original
30 properties to replacement dwellings located in the same county,
31 to any replacement dwelling that is purchased or newly constructed
32 on or after November 6, 1986.

33 (B) With respect to the transfer of base year value of original
34 properties to replacement dwellings located in different counties,
35 to any replacement dwelling that is purchased or newly constructed
36 on or after the date specified in accordance with subparagraph (E)
37 of paragraph (2) of subdivision (a) in the ordinance of the county
38 in which the replacement dwelling is located, but not to any
39 replacement dwelling that was purchased or newly constructed
40 before November 9, 1988.

1 (C) With respect to the transfer of base year value by a severely
2 and permanently disabled person, to replacement dwellings that
3 are purchased or newly constructed on or after June 6, 1990.

4 (2) The property tax relief provided by this section in accordance
5 with this subdivision shall apply prospectively only commencing
6 with the lien date of the assessment year in which the claim is
7 filed. There shall be no refund or cancellation of taxes prior to the
8 date that the claim is filed.

9 (n) A claim filed under this section is not a public document
10 and is not subject to public inspection, except that a claim shall be
11 available for inspection by the claimant or the claimant's spouse,
12 the claimant's or the claimant's spouse's legal representative, the
13 trustee of a trust in which the claimant or the claimant's spouse is
14 a present beneficiary, and the executor or administrator of the
15 claimant's or the claimant's spouse's estate.

16 SEC. 2. Section 1150 of the Revenue and Taxation Code is
17 amended to read:

18 1150. As used in this article, "certificated aircraft" means
19 aircraft operated by an air carrier or foreign air carrier engaged in
20 air transportation, as defined in ~~subdivisions (3), (5), (10), and (19)~~
21 ~~of Section 101 of Title I of the "Federal Aviation Act of 1958"~~
22 ~~(P.L. 85-726; 72 Stat. 731) Section 40102(a)(2), (5), (6), and (21)~~
23 ~~of Title 49 of the United States Code~~, while there is in force a
24 certificate or permit issued by the ~~Civil Aeronautics Board of the~~
25 ~~United States Federal Aviation Administration~~, or its successor,
26 ~~or a certificate or permit issued by the California Public Utilities~~
27 ~~Commission, or its successor~~, authorizing such air carrier to engage
28 in such transportation.

29 SEC. 3. Section 1154 of the Revenue and Taxation Code is
30 amended to read:

31 1154. (a) As used in this section, "air taxi" means aircraft used
32 by an air carrier which does not utilize aircraft having a maximum
33 passenger capacity of more than 30 seats or a maximum payload
34 capacity of more than 7,500 pounds in air transportation and which
35 does not hold a certificate of public convenience and necessity or
36 other economic authority issued by the ~~Civil Aeronautics Board~~
37 ~~of the United States Federal Aviation Administration~~, or its
38 successor, ~~or by the California Public Utilities Commission, or its~~
39 ~~successor~~.

1 (b) Air taxis which are operated in scheduled air taxi operations
2 are not subject to the provisions of Part 10 (commencing with
3 Section 5301) of this division and shall be assessed in accordance
4 with the allocation formula set forth in Section 1152.

5 (c) All other air taxis shall be assessed in the county where the
6 aircraft is habitually situated in the same manner and at the same
7 ratio as other personal property in the county subject to general
8 property taxation. Such aircraft shall be taxed at the same rate and
9 in the same manner as all other property on the unsecured roll.

10 SEC. 4. Section 2821 of the Revenue and Taxation Code is
11 amended to read:

12 2821. Any person filing an affidavit of interest may apply to
13 the tax collector to have any parcel separately valued on the current
14 roll for the purpose of paying taxes. A county may, upon approval
15 of the board of supervisors, require that the applicant notify the
16 property owner.

17 The application shall be made during the current fiscal year, and
18 shall set forth the fact that a duly executed and recorded deed,
19 purchase contract, deed of trust, mortgage, or final decree of court
20 describes the parcel sought to be separately valued. A county may,
21 upon approval of the board of supervisors, ~~prohibit~~ *allow* these
22 applications ~~during the 10 working days preceding each tax~~
23 ~~installment delinquency date and during the 10 working days~~
24 ~~preceding June 30 of each year~~ *between July 1 and March 31*.

25 The application may request that the tax created by the
26 assessment of personal property, or leasehold improvements, or
27 possessory interests on the whole assessment be allowed to remain
28 as a lien on the parcel sought to be separately valued.

29 If any lien not determined by the application of a tax rate on a
30 valuation of property has been levied or placed on the whole
31 assessment, the application may be accompanied by the
32 certification of the taxing agency or revenue district authorized by
33 law to levy or place the lien, setting forth the specific amount of
34 that portion of the lien levied or placed on the whole assessment
35 which is to continue to be levied or placed on the parcel sought to
36 be separately valued.

37 The board of supervisors may provide that a parcel with a lien
38 against it and other property, pursuant to the Improvement Act of
39 1911 (Division 7 (commencing with Section 5000) of the Streets
40 and Highways Code) or the Improvement Bond Act of 1915

(Division 10 (commencing with Section 8500) of the Streets and Highways Code) will not be separately valued unless a request has been made to the agency levying the bond lien for a division of land and bond. A copy of the requested division of land and bond shall accompany the request for separate property tax valuation.

Any separations of property pursuant to this section are for valuing property for tax purposes only, and are not intended to create a legal building site or to supersede requirements pursuant to zoning, building, lot split or subdivision ordinances.

Once created, an individual interest parcel may be entered as a separate assessment on subsequent assessment rolls until the time that ownership of the interest is conveyed or until the original applicant or his or her agent requests that the parcel be recombined.

Upon authorization by ordinance by the board of supervisors, the county may charge a fee for actual costs incurred for the processing of an application for separate assessment, and the initial and ongoing costs of separate assessment, billings, and mailings. Fees shall be subject to Chapter 12.5 (commencing with Section 54985) of Part 1 of Division 2 of Title 5 of the Government Code, and may be billed separately or prior to initial separate tax bills, or both, or collected on subsequent tax bills, and shall be deposited in the county's general fund.

SEC. 5. Section 5303 of the Revenue and Taxation Code is amended to read:

5303. (a) "Aircraft" means any contrivance used or designed for the navigation of or for flight in the air which has been flown at least once, other than a parachute or similar emergency safety device.

(b) "Aircraft" does not include any of the following:

(1) Rockets or missiles.

(2) Aircraft operated exclusively by an air carrier or foreign air carrier, as *respectively* defined in ~~subdivisions (3) and (19) of Section 101 of Title 1 of the "Federal Aviation Act of 1958" (P.L. 85-726; 72 Stat. 731) Section 40102(a)(2) and (21) of Title 49 of the United States Code, engaged in air transportation, as defined in subdivision (10) of the same section Section 40102(a)(5) of that title, while there is in force a certificate or permit issued by the Civil Aeronautics Board of the United States Federal Aviation Administration, or its successor, or a certificate or permit issued~~

- 1 ~~by the California Public Utilities Commission, or its successor,~~
- 2 authorizing such air carrier to engage in such transportation.
- 3 (3) Air taxis, as defined in subdivision (a) of Section 1154.

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